

from the official resolution on de-naocracy and socialism", The latter statement is not quite correct for though the resolution makes *no* mention of nationalisation of banks, it did say that "processing of agricultural produce, specially paddy should not remain in private hands<sup>1</sup>".

To take over ail rice mills and the fixation of a national minimum standard to be realised by the end of the Fifth Plan are the only two specific recommendations which may be considered to be new. About the national minimum, the draft resolution says that "it is of the highest importance that the provision of basic needs of every individual is ensured and a national minimum comprising the essential requirements in respect of food, clothing, housing, education and health is established as speedily as possible. The nation should set before itself a goal in this respect and it would be reasonable to expect that the objective will be substantially realised by the end of the Fifth Plan".

"This will itself become a means of reducing the vast disparities of income and wealth which exist now", the resolution goes on to say, but adds that "it is necessary to bring about limitation of incomes and property in private hands. This limitation should apply specially in respect of inherited wealth and urban property. The State should secure a large share of capital gains and appropriate a much larger proportion of unearned income than is being done at present". This, however, is not quite new for the last Congress Election Manifesto had promised that to reduce disparities in wealth "some limitations on high urban incomes through taxation and other means" would be placed.

The particular issue of nationalisation of banks seems to have spear-headed *the* controversy over definition of socialism and has become in a way the rallying point for those who want the Congress to lay down a definite programme for achieving socialism. It has been treated adroitly. While nationalisation has not been mentioned at all, those who had pressed for it have been assured that "the Government should place itself in a position more effectively than is the case now to direct the means of credit and investible resources of the coun-

try along the lines of national priorities and our social purposes"; By the last amendment to the Banking Companies Act, the Government has already assumed some of these powers. These may now be expanded.

The manner in which the pressure for nationalisation of banks has come up in the recent weeks must cause more than a little surprise. The vast majority of the Congress members of the Lok Sabha had expressed in an unmistakable manner their opposition to the controversial section of the amendment to the Companies Act, by which the Government had taken powers to convert loans to companies into equity. It was through the personal intervention of Pandit Nehru that the amendment was passed. That the same parliamentary party which opposed this measure so stoutly should

have a sizeable section demandir bank nationalisation, does it suggest a polarisation within the parliamentary party? Or is it outside the parliamentary party that the pressure is rising for forcing in pace? The resolutions passed so many of the State Congress C mittees point in that direction there is no sign yet that the gress's multi-point equilibrium been seriously disturbed. The dra resolution that is now going to put before the plenary session clearly indicates the result of the vario forces within the Congress. It is definitely the dead centre. There is no swing to the right nor is there a turn to the left. If behind the pressure for redefinition of socialism one sees the struggle of the contenders for succession, it would be legitimate to infer that power goes, in due course, of course, to those who hold the centre.

## Communalism in Cyprus

IT is fortunate that the final culmination of communal frustration in Cyprus coincided with political crises in both Athens and Ankara. Gumushpala failed to create a working majority in the Turkish Assembly and on Christmas Day, Inonu set about trying to form his third Cabinet. The day before, in Athens, Papandreou's Union of Centre Cabinet (sworn in on November 8) resigned after winning an Assembly vote of confidence only with help from the allegedly pro-Communist United Democratic Left Party. On December 30, King Paul ordered new elections (only two months after the last elections) for February 17.

All this did not prevent some intervention by Greece and Turkey when the Cypriot crisis broke, but the main foreign protagonist was Britain. The British in most of the countries they ruled encouraged communal separatism, the preservation of minorities, ostensibly hi defence of minority culture and freedom, but more concretely as a safeguard of their own supreme and 'impartial' role — John Bull as universal policeman. When such tactics proved incapable of controlling Cyprus (as they had proved earlier in India), the/British fostered the claims of the Turkish minority which

in its turn supported British general influence and rights to bases on the island. Thus, the Constitution created under the 1959 Zurich Agreements between the interested countries (Greece, Turkey and Bri systematically discriminated i vour of the Turkish Cypriots. With roughly 16 per cent of the Cyprio' population, the Turks were given 30 per cent representation in trr-Assembly arid Civil Service an forty per cent in the Army; ar rights of veto in foreign" affai finance, defence and security, As result, the Greek Cypriots allege.,th Turkish veto has prevented the simple collection of income tax for two years. Accordingly, Archbishop Makarios framed some thirteen amendments to the Constitution, and when these were refused by the Turks, made it fairly clear that if necessary the Greeks would execute them Unilaterally.

This provided the immediate spark for the current outbreak of civil war. In 1959, the Turks won the main victories in the communal battles (so strengthening their hand when the, Constitution was being framed), and some Greek "no doubt decided to vindicate the honour of their community. In the *proces, de fasto* partition (*as* sired by some- Turkish leaders, ar

it is said by Turkey) was created with each community guarded and administered by its respective section of the former State services. Greek and Turkish police have clashed for nearly a fortnight on the respective borders of their enclaves in Nicosia. The Turks sought to capture the main lines of communication into the city and so isolate it in the north; the Greeks have seized a rumoured 500 Turks and are holding them as hostages. With each stage of the struggle, both communities have turned to their respective foreign parents, with the danger of so internationalising the conflict that it would lead to direct friction between Greece and Turkey, or the Greek minority in Turkey would be threatened with reprisals. The Turkish Government, demanding tripartite foreign intervention in Cyprus, has despatched warships to just outside the Cypriot coastal waters, and sent for at least three consecutive days Sabre jets to fly low over Nicosia to encourage Turkish and warn the Greek Cypriots. Greece has put her navy on a four hour alert, called her defence chiefs together but denied she is mobilising. From Washington comes a denial that the American Sixth Fleet is steaming towards east Mediterranean.

The British have not seen fit to deny their intervention. On the basis of the stalemate between the two communities, the British have taken over military administration of Nicosia, outlined a neutral zone covering all the areas of fighting and flown in sufficient troops to patrol these areas. The British Commonwealth Relations Secretary has flown to the island to arbitrate between the communities and patch up a truce. It is argued that this duty falls on Britain both because her bases on the island (the largest outside Britain) make her a major air power in the east Mediterranean, and also because of her 'historic duty' in the area enshrined in the Zurich Agreements. But that British intervention was possible and indeed welcome to the embattled communities is a sad commentary on the prospects for Cypriot independence, particularly considering the long and bitter struggle the Cypriots waged to establish that independence. The fighting has at

least compelled the Turkish community to accept the need for constitutional reform. If the Greeks, the overwhelming majority, can force through a reform that gives them effective power, then that independence will be a little more possible. Then Cyprus can bargain with the British and secure their steady evacuation. The events of this Christ-

mas will be used by the British Government to validate its claims to be a legitimate policeman in Cyprus, arbitrating between twin irrationalities—when in fact those events are the direct legacy of British rule in Cyprus and, in particular, the 1959 constitution which raises communalism to the highest principle.

## Retreat from Prohibition

WHAT is surprising is not that Maharashtra should be the first State to go back on Prohibition but that it should have persisted in wrong doing for so many years in keeping up Prohibition. None knew better than the Government of the State what a disastrous form prohibition had assumed, but it had been completely impervious so long to what was happening all around, kept its eyes tightly shut and refused to listen to the voice of reason, Shri Vasant Rao Naik has shown outstanding political courage in deciding to undo the accumulated evils of a policy which was breaking down under the pressure of the forces of corruption that it had released. The Chief Minister has acted not a moment too soon.

Having watched Prohibition at work over the years and witnessed every day its pervasive and pernicious influence on the people and the administration, it was impossible to believe that the members of the Congress Party could possibly remain wholly unaffected by the distressing spectacle of Prohibition strengthening its vicious grip. Rumbles had been heard within the

Congress Party to which neither the party executive nor the ministry could have been deaf. But so vicious had been the grip of the party bosses that the official Congress still pretended even at the time when Justice Tek Chand conducted an official investigation last June that Prohibition had been a success and as for flagrant violations and the corruption that it had spread, well, they knew of no such thing! This continued to be the position until the present Chief Minister took over,

Shri Naik has to act within the limitations imposed by his membership of the Congress Party and allegiance to its creed and at the same time he has also to do the right thing by the people and see to it that the policy decided upon by the Government does more good to the people than harm. It is not on the moral question of the right of the people to drink if they want to that Maharashtra has changed its stand. The relaxations now announced which are to come into force from April 1, are intended primarily to protect the public from the illicit distiller, the bootlegger and the trafficker. The means by which this is

### Annual Number

The Fifteenth Annual Number of *The Economic Weekly* will be out at the end of this month. It will contain a minimum of 180 pages and will be priced Rs 3. Registration and postage charges will be Re 1.

The Annual will be supplied free to subscribers. Other readers and agents are requested to place their orders in advance.

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